

***Testimony before the Human Services Committee
Roderick L. Bremby, Commissioner
February 23, 2016***

Good afternoon Senator Moore, Representative Abercrombie and distinguished members of the Human Services Committee. My name is Roderick Bremby, and I am the Commissioner of the Department of Social Services.

I am pleased to appear before you today and respectfully request your support of the following ten agency bills –

1. S.B. No. 105 (RAISED) - AN ACT CONCERNING THE PAYMENT OF FUNERAL AND BURIAL EXPENSES BY THE DEPARTMENT OF SOCIAL SERVICES
2. S.B. No. 106 (RAISED) - AN ACT CONCERNING A MEDICAID AMBULATORY PAYMENT CLASSIFICATION SYSTEM FOR CERTAIN HOSPITAL SERVICES
3. S.B. No. 107 (RAISED) - AN ACT CONCERNING THE TREATMENT OF THE CASH VALUE OF LIFE INSURANCE POLICIES WHEN EVALUATING MEDICAID ELIGIBILITY
4. S.B. No. 109 (RAISED) - AN ACT RENAMING THE BUREAU OF CHILD SUPPORT ENFORCEMENT TO THE OFFICE OF CHILD SUPPORT SERVICES
5. S.B. No. 116 (RAISED) - AN ACT CONCERNING CAREGIVER AGREEMENT REQUIREMENTS FOR MEDICAID APPLICANTS OR RECIPIENTS
6. S.B. No. 135 (RAISED) - AN ACT CONCERNING REVISIONS TO HUSKY PLUS
7. H.B. No. 5250 (RAISED) - AN ACT CONCERNING CONTRIBUTIONS FROM SPOUSES OF INSTITUTIONALIZED MEDICAID RECIPIENTS
8. H.B. No. 5253 (RAISED) - AN ACT CONCERNING IMPROVEMENTS TO INCOME WITHHOLDING FOR CHILD SUPPORT
9. H.B. No. 5254 (RAISED) - AN ACT EXPANDING THE COMMISSION FOR CHILD SUPPORT GUIDELINES
10. H.B. No. 5256 (RAISED) AN ACT EXPEDITING CHILD SUPPORT MODIFICATION ORDERS FOR INCARCERATED OR INSTITUTIONALIZED OBLIGORS

In addition, I will offer remarks on several other bills on the agenda.

1. S.B. No. 105 - AN ACT CONCERNING THE PAYMENT OF FUNERAL AND BURIAL EXPENSES BY THE DEPARTMENT OF SOCIAL SERVICES

The bill amends three statutes pertaining to the payment of funeral and burial expenses that are administered by the Department of Social Services (DSS) – sections 17b-84, 17b-198 and 17b-131 of the Connecticut General Statutes (CGS).

The proposed bill authorizes DSS to reduce funeral payments by the net value of all liquid assets in the decedent's estate. Pursuant to state law (CGS section 45a-365), if a decedent leaves a small checking or savings account, the funeral home or crematory that performs services has priority over all other creditors and claimants when the decedent's estate goes through probate. Where DSS knows of the existence of such accounts, the agency will reduce the funeral and burial payments it would otherwise provide by the value of such accounts.

The bill also authorizes the department to reduce payment for funeral and burial expenses made on behalf of a decedent who received State Supplement or TFA benefits by any contribution from sources outside of that decedent's estate which exceed \$3,200. This modification aligns the funeral and burial benefits available to State Supplement or TFA recipients with those currently available to SAGA recipients, equalizing this benefit across the three programs.

Lastly, this proposal authorizes DSS to promulgate regulations governing the funeral benefit. Such regulations will ensure that the department only pays for truly necessary expenses.

We ask for your support of this bill.

2. S.B. No. 106 - AN ACT CONCERNING A MEDICAID AMBULATORY PAYMENT CLASSIFICATION SYSTEM FOR CERTAIN HOSPITAL SERVICES

This bill amends Connecticut General Statute section 17b-239 to ensure that the state's ambulatory payment classification (APC) methodology includes all outpatient and emergency room hospital services eligible for payment pursuant to Connecticut's Medicaid state plan, but that are not covered by the Medicare ambulatory payment classification. This proposal removes references to Medicare from the statutory language regarding the APC payment methodology for outpatient hospital services.

During the development of the Medicaid APC reimbursement methodology, it became apparent that the state should structure its Medicaid APC system differently from Medicare in several key service areas that are critical to Medicaid clients. The best example of this involves behavioral health services provided to Medicaid clients. While Medicare reimburses for many of the services found under the Medicaid program, it has been determined that the current Medicaid behavioral health fee schedule, which was recently updated, represents a more logical

reimbursement methodology that is fully aligned with those behavioral health services that are provided outside of the outpatient hospital setting.

The bill also includes additional language related to establishing a supplemental pool to provide payments to offset losses incurred by publically operated acute care hospitals and acute care children's hospitals as a result of the implementation of the ambulatory payment classification system. Due to the intricacy of this classification methodology, it is easiest to implement the same rates for every hospital and then supplement these payments for those complex acute care hospitals identified above.

The Department does not anticipate that this proposal will incur a fiscal impact as this system was designed to be revenue-neutral.

We ask for your support of this bill.

3. S.B. No. 107 - AN ACT CONCERNING THE TREATMENT OF THE CASH VALUE OF LIFE INSURANCE POLICIES WHEN EVALUATING MEDICAID ELIGIBILITY

This bill aims to expedite the receipt of Medicaid long-term services and supports by applicants who own a life insurance policy or policies with aggregate cash surrender value of ten thousand dollars or less. It clarifies that an applicant shall not be determined ineligible for Medicaid because he or she owns such a policy. The bill also eliminates the requirement that the proceeds received from surrendering such policy be used to pay for the individual's institutional cost of care.

We ask for your support of this bill.

4. S.B. No. 109 - AN ACT RENAMING THE BUREAU OF CHILD SUPPORT ENFORCEMENT TO THE OFFICE OF CHILD SUPPORT SERVICES

This proposal changes each statutory reference from "Bureau of Child Support Enforcement" to "Office of Child Support Services."

In recent years, consistent with direction from the federal Administration for Children and Families, the bureau's mission has evolved to include a family-centered approach to encourage fathers and noncustodial parents to participate more fully in the lives of their children. Such parental engagement may result in improved family relationships, increased economic stability, and enhanced overall child support collections.

Although the Department remains responsible for administrative enforcement, and collects tens of millions of dollars each year on behalf of Connecticut's children, the Judicial Branch's Support Enforcement Services division maintains primary responsibility for court-based enforcement of support orders. Changing the name will more accurately reflect the bureau's expanded mission and purpose.

We ask for your support of this bill.

5. S.B. No. 116 - AN ACT CONCERNING CAREGIVER AGREEMENT REQUIREMENTS FOR MEDICAID APPLICANTS OR RECIPIENTS

The Department is required to determine, as part of the federally required 60-month look-back, whether assets were improperly transferred in order to qualify for Medicaid-funded long-term services and supports. This bill creates standards for caregiver agreements between family members to purchase services that delay or prevent nursing home institutionalization or the usage of home and community-based services.

Since the passage of the federal Deficit Reduction Act of 2006 (DRA), the Department has seen an increase in improper assets transfers under the guise of these unregulated caregiver agreements. This practice has resulted in a cost shift from the applicant to the Medicaid program because those assets, instead of being transferred improperly, should have been used to pay for needed services.

This bill will improve the Department's ability to review caregiver agreements by creating consistent guidelines and measures of evaluation. It will also limit the abuse of these contracts as asset transfer devices. Unnecessary Medicaid payments would be deferred and those who are faithfully caring for a relative will receive reasonable compensation for their efforts.

We ask for your support of this bill.

6. S.B. No. 135 - AN ACT CONCERNING REVISIONS TO HUSKY PLUS

This bill makes numerous technical changes to the HUSKY Plus statute. HUSKY Plus is a supplemental health program that provides additional coverage of goods and services for children active on HUSKY B with intensive physical needs that cannot be accommodated within the basic benefit package offered through HUSKY B.

The bill aligns the HUSKY Plus appeal process with that used to review HUSKY B determinations because HUSKY Plus supplements services available to certain HUSKY B members.

The bill also specifies that providers, who are not enrolled in the Department's medical assistance program, must accept Medicaid rates as payment in full if they provide HUSKY Plus services to those eligible. This language ensures that all providers of HUSKY Plus are reimbursed at the same rates as other providers in the program.

Lastly, the bill removes the advisory committee reference established by the Department of Public Health. This advisory committee has not been in practice for over 12 years.

We ask for your support of this bill.

7. H.B. No. 5250 - AN ACT CONCERNING CONTRIBUTIONS FROM SPOUSES OF INSTITUTIONALIZED MEDICAID RECIPIENTS

This bill permits the Department to consider taxable and non-taxable income received by a community spouse when determining such spouse's contribution to the cost of care for his or her institutionalized spouse who has applied for or is receiving Medicaid long-term services and supports.

Connecticut General Statute section 4a-12 requires the Department to examine the financial situation of the spouse of an institutionalized Medicaid recipient and make a determination of whether they are legally required to contribute funds for their institutionalized spouse's cost of care. That statute limits the community spouse's contribution to no more than 12% of the difference between the state median income for their family size and federally deemed "taxable" income.

Annuities often are structured to produce little to no taxable income. In situations where the community spouse receives such annuity income, because section 4a-12 refers only to "taxable" income, the Department cannot consider the "non-taxable" annuity payments to determine the amount the community spouse must contribute towards their institutionalized spouse's cost of care. The proposal corrects this inequitable cost shift to the Medicaid program.

We ask for your support of this bill.

8. H.B. No. 5253 - AN ACT CONCERNING IMPROVEMENTS TO INCOME WITHHOLDING FOR CHILD SUPPORT

This bill requires an employer to send to its workers' compensation carrier an income withholding order it possesses regarding an employee that subsequently makes a claim for workers' compensations benefits.

Currently, employers are mandated to “promptly notify” the Judicial Branch’s Support Enforcement Services when the obligor terminates employment and makes a claim for workers’ compensation benefits. However, there are no means to enforce this requirement if employers fail to do so. This means that the Department’s Child Support Enforcement Services may not discover an employee is receiving workers’ compensation benefits until the current income withholding payments through the employer cease to be made. This issue can cause a 4 to 6 week delay (or even longer) for child support payments.

Requiring employers to attach the income withholding order when sending a referral to a worker’s compensation carrier should result in the seamless withholding of the child support obligation from the workers’ compensation benefit. This process may also improve the IV-D performance and increase the associated federal incentive funding. The families that deserve the support, therefore, should not experience any delay.

Income withholding is the most effective means of enforcing court-ordered child support. In FFY 2014, the IV-D program, through the Bureau of Child Support Enforcement, collected a total of \$296 million in child support payments. Out of that amount, 71% of those funds were collected through income withholding from employers and other payers of income. Income withholding as a method of child support collection has not only proven to be effective and efficient but also allows for expedited payments to families.

We ask for your support of this bill.

9. H.B. No. 5254 - AN ACT EXPANDING THE COMMISSION FOR CHILD SUPPORT GUIDELINES

This bill increases the membership of the Commission for Child Support Guidelines. It adds two members to represent the best interests of children – an additional gubernatorial appointment and the Child Advocate, or the Child Advocate’s designee. The bill requires DSS to provide staffing for the administrative and regulatory responsibilities of the commission and funding, within available appropriations, for economic studies the commission requires.

We ask for your support of this bill.

10. H.B. No. 5256 - AN ACT EXPEDITING CHILD SUPPORT MODIFICATION ORDERS FOR INCARCERATED OR INSTITUTIONALIZED OBLIGORS

The bill creates an accelerated process to modify the child support order to suspend payments of an incarcerated obligor, who has no means of meeting the obligation. It also includes a

procedure to expeditiously reinstate the original order once the obligor is no longer incarcerated. This proposal was drafted in cooperation with, and has the full support of, the Judicial Branch.

This bill eliminates a full judicial proceeding for incarcerated obligors when Support Enforcement Services of the Judicial Branch confirms, via a formally filed affidavit, that (1) a modification of the order is warranted under section 46b-215e and (2) the custodial party (i.e., the party entitled to the child support benefit) has no objection to the modification. The current modification process unnecessarily strains state resources. It requires, for example, convening a full judicial hearing, delivery of service of process, document preparation, as well as the engagement of clerks, courtroom monitors, Support Enforcement Services employees, Assistance Attorney Generals and the Department of Correction resources to ensure inmate availability.

Creation of an expedited process will avoid accumulating arrearages and charges, and decrease child support debt. It will also improve the ability of the state's IV-D program to satisfy federal performance and incentive measures. When child support orders go unmodified and are not collected, delinquencies result and the overall child support debt balance increases. Both of these have a negative impact on IV-D performance and the associated federal incentive funding.

Outside of monetary and economic-based research and results, there are sociological factors involved. Research in the field has shown that accruing child support delinquencies and balances can cause harm to obligors' relationships with their child or children, conflicts with the State of Connecticut's principles on fatherhood and complicates re-entry into society for inmates with a legal barrier and addition of uncollectable debt.

These proposed changes will conserve resources and create a cost savings in four state agencies using LEAN initiatives. This bill also aligns with the Governor's "Second Chance Society" initiative. Furthermore, by reducing the amount of child support considered uncollected under federal standards, there is the potential for increased federal incentive payments.

We ask for your support of this bill.

S.B. No. 114 - AN ACT CONCERNING PRESUMPTIVE MEDICAID ELIGIBILITY FOR HOME CARE

This bill would provide presumptive eligibility for applicants for the Connecticut Home Care Program for Elders (CHCPE). While the Department is committed to working on initiatives that ensure timely services to those in need of home care services, as evidenced by the initiation of a "FastTrack" pilot program in July 2015 for applicants of the Home Care waiver, we cannot support this proposal at this time.

Although the Department shares the desire for individuals to obtain prompt access to home care services, we do not believe this proposal can be operationalized given the current allocation of resources and processes for determining eligibility. Furthermore, we believe this will require additional financial, administrative, and staff resources.

The Fast Track pilot determines potential eligibility for new applicants for CHCPE within two or three business days of identifying them as Fast Track eligible. The Fast Track process reviews a client's application and determines if they meet the criteria for Fast Track. This is done through questions related to the applicant's assets and income. If Fast Track eligibility is approved, and the applicant has completed a functional assessment confirming functional eligibility, the applicant may begin to receive state-funded home care services.

It is important to note that Fast Track applicants are still required to comply with all standard Medicaid waiver application procedures to determine eligibility for the Medicaid-funded component or to validate eligibility for the state-funded component of the program. Also, when Fast Track eligibility is granted, clients are notified that if they subsequently are found ineligible for Medicaid they will be responsible for their share of the state-funded benefit. At that time, the applicant may reject Fast Track services and wait until the application is reviewed for complete Medicaid coverage, which may take up to 90 days.

Although, the Department is pleased with the preliminary results of the pilot, more time is needed to review outcomes and to address potential challenges and improve overall service delivery.

S.B. No. 115 - AN ACT CONCERNING MEDICAID COVERAGE OF TELEMONITORING SERVICES

This proposal allows the Department to add telemonitoring services to the Money Follows the Person demonstration project as an optional service and to study the impact of telemonitoring services.

The Department does acknowledge the work we did last session developing this concept with the proponent of this legislation. Unfortunately however in this new economic reality, the Department does not anticipate an increase in Medicaid funding to enable us to add telemonitoring services for individuals enrolled in Money Follows the Person. Also with limited staff resources, moving forward with a study will prove to be challenging. Therefore, we cannot support this legislation.

S.B. No. 108 - AN ACT CONCERNING RESIDENTIAL CARE HOMES

Starting in state fiscal year 2016, state law requires that residential care homes (RCHs) be reimbursed the greater of (1) the allowable accumulated fair rent reimbursement or (2) \$3.10 per day. Prior to this change and since approximately 1995, in addition to the \$3.10 per day reimbursement, RCHs also received a fair rent allowance if the RCHs' fair rent for property placed in service prior to September 1995 was less than or equal to \$3.10 per day.

If this bill is adopted, the estimated fiscal impact of returning to the previous reimbursement formula is up to \$2.4 million annually. (This figure is calculated using 2014 cost reports. There were 768,878 days of this type of state-funded payment.)

While the Department remains fully committed to compensating residential care homes adequately, we cannot support this bill given the fiscal implications.